

# dividends

THE MAGAZINE OF THE MISSISSIPPI STATE UNIVERSITY COLLEGE OF BUSINESS • 2024-25

Education  
Enhanced  
**THROUGH**  
Experience

EXPERIENCE





## Investing in the Future

By Suzi Morales

Surrounded by a stock ticker, a wall of TVs broadcasting financial newscasts and rows of computers, a group of students engages in an enthusiastic discussion about which stocks to choose. One gives a presentation on market trends and investment recommendations. Others ask questions. They choose some stocks in which to invest and others for further research.

This is MSU's TVA Investment Challenge team, led by Dr. Brandon Cline, the John "Nutie" and Edie Dowdle Professor of Finance.

And yes, it's real money.

Twenty-six colleges and universities participate in the TVA Investment Challenge, each investing approximately \$500,000 in assets provided by the Tennessee Valley Authority every academic year. The schools compete among themselves and also with the S&P 500.

"We teach from a textbook in the classroom, but finance is a very applied science," Cline observes. "It's easy to understand in theory how you would do something, but you need to learn how to implement that in practice."

Every year, around 10 students are selected for the MSU team and divided into groups of two. Each pair handles a specific sector like energy, healthcare or consumer staples. The team operates like an investment firm, with officers including a head trader and chief compliance officer to meet the TVA's diversification requirements. During weekly meetings, the teammates build consensus about how to best handle their portfolio. Cline signs off on every trade.

"I don't run it like a course," he comments. "I run it like a meeting, like you would have a money management meeting every Wednesday with your company."

According to Cline, the goal of the MSU team is not simply to win the interscholastic competition. It is to look at the longer term picture. Instead of big risks that might result in short-term gains, he emphasizes diversification.

The team traveled to New York for a conference, where they also had meetings at financial firms and visited the New York Stock Exchange.

*Photo courtesy of Brandon Cline*



Team member Ben Kahle states, “You want to make sure that every action you propose or execute for the TVA Investment Challenge is a good one because it’s actual money on the line.”

The TVA hosts an annual conference for Investment Challenge schools where teams present on their investing philosophies and performances.

The Bulldog team also travels to New York, NY, each year. There, they participate in the Global Asset Management Education Forum at Quinnipiac University, the world’s largest student-run financial conference. They also have meetings at financial firms like JPMorganChase, Goldman Sachs and Barclays.

“You can talk face-to-face and ask good questions of the people at these firms and make connections that way,” shares Kahle, a senior. “It boosts your career potential.”

After graduation, Kahle will work at Bank of America headquarters in New York as a public sector banking credit analyst. Although not directly involved in investment analysis, he expects to use the presentation and collaboration skills he learned through the challenge experience.

A real, practice-based understanding of work in the financial sector is one of the draws of the TVA Challenge.

Remarks Cline, “You have a picture of what you think your life’s going to be like if you have this kind of job and, in reality, you don’t know until you do it.”